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Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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The meeting was called to order at 10.10 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Continuation of the general discussion on the proposed programme budget for the biennium 2008-2009 and related reports (A/62/6 (Introduction) and Corr.1, A/62/6 (Sects. 1-3), A/62/6 (Sect. 4) and Corr.1, A/62/6 (Sects. 5-7), A/62/6 (Sect. 8) and Corr.1, A/62/6 (Sects. 9-11), A/62/6 (Sect. 12) and Corr.1, A/62/6 (Sects. 13-18), A/62/6 (Sect. 19) and Corr.1, A/62/6 (Sects. 20-22), A/62/6 (Sect. 23) and Corr.1, A/62/6 (Sect. 24) and Corr.1, A/62/6 (Sects. 25-28), A/62/6 (Sect. 28A) and Corr.1, A/62/6 (Sect. 28B) and Corr.1, A/62/6 (Sect. 28C) and Corr.1, A/62/6 (Sect. 28D), A/62/6 (Sect. 28E) and Corr.1 and Corr.2, A/62/6 (Sect. 28F), A/62/6 (Sect. 28G), A/62/6 (Sect. 29) and Corr.1, A/62/6 (Sects. 30-35), A/62/6 (Income sects. 1-3), A/62/7 and Corr.1, A/62/16 (Chap. III B), A/62/80 and Corr.1-3, A/62/91, A/62/229 and A/62/349)

1. **Mr. Afifi** (Egypt) said that, as the 2005 World Summit Outcome represented a compromise of intent among world leaders, the General Assembly must determine in practice how to fulfil it, especially in the areas of development, peace and security, human rights and the rule of law. All mandated programmes and activities should be implemented.

2. The Organization should focus on important issues, including sustained economic growth and sustainable development, and take urgent action, backed by adequate financial and human resources, to address critical challenges such as poverty, hunger, imbalances in international trade, the environment and social and health matters. Accordingly, the Department of Economic and Social Affairs, as the principal body for coordination policy review, policy dialogue and recommendations on economic and social development, should receive greater support. In that regard, he welcomed the Secretary-General's stated intention to make substantive proposals for strengthening the Organization's development and economic machinery.

3. His delegation also looked forward to receiving a detailed proposal for the strengthening of the Department of Political Affairs and shared the view that the requests for additional resources made by the Office of the High Commissioner for Human Rights should be consistent with the mandates approved by the Human Rights Council and the General Assembly.

4. **Mr. Liu** Zhenmin (China) said that, given the recent expansion of the Organization's activities in fields such as peace and security, development and human rights, a corresponding increase in the budget was unavoidable in order to ensure adequate funding for mandated programmes and activities. However, in formulating the programme budget, account must be taken of the need to match resources with actual requirements, to make savings and to consider the capacity of Member States to pay.

5. With regard to resource allocation, his delegation supported the priority items identified by the General Assembly for 2008-2009 and hoped that the Organization's limited resources would be used where most urgently needed, that administrative and management costs would be drastically reduced and that more resources would be devoted to development, thereby benefiting the developing countries. In that connection, he noted that the proposed increase in resources for human rights and monitoring exceeded the proposed increase for activities related to the promotion of economic development and regional cooperation on such issues as the environment, trade and African development. The Secretary-General should take effective measures to maintain a balanced input of resources for priority programmes.

6. With regard to improving management and reducing waste, his delegation had noted the concerns of the Advisory Committee regarding the current piecemeal approach to the budget process and its recommendation that there should be greater cooperation and coordination in order to achieve synergy, enhance complementarity and remove avoidable redundancies. The Secretariat should use the resources provided by Member States in a scientific and rational manner to achieve optimal efficiency and to put an end to waste and mismanagement. In order to conserve resources and increase efficiency, budget and programme managers should strengthen their communication and cooperation, formulate specific and feasible performance indicators and discontinue outdated and inefficient outputs.

7. **Mr. Kassaye** (Ethiopia) said that the complex challenges of peacekeeping operations required an integrated approach and better coordination. A prompt

and effective response to Security Council and General Assembly decisions through an appropriate and adequate allocation of budget resources was crucial to the implementation of peacekeeping mandates, particularly the monitoring of ceasefires and buffer zones. His delegation therefore welcomed the support given to the Special Committee on Peacekeeping Operations by all concerned and expected that Committee to implement and follow up the decisions of the Security Council and the General Assembly in an efficient manner. The Department of Peacekeeping Operations, for its part, should be allocated additional resources to implement the Special Committee's recommendations. The Peacebuilding Commission and Peacebuilding Support Office should also be provided with adequate resources to help strengthen the overall capacity of the United Nations to manage and sustain peacekeeping operations throughout the world.

8. The multifaceted chailenges facing Africa demanded concerted action by the international community and his delegation therefore urged support for the New Partnership for Africa's Development (NEPAD) to promote peace, security and development in the continent. The significant decrease in extrabudgetary resources, which were indispensable to the work of NEPAD, should be addressed, as should the current staff vacancy situation. The filling of vacancies, in particular the post of Under-Secretary-General for the Office of the Special Adviser on Africa, would contribute to the efforts to mobilize the required resources for the Partnership.

9. The United Nations system and its regional economic commissions should play a greater role in promoting institutional coordination. Coordination between the United Nations and the African Union should be further strengthened to ensure effective deliberation on a number of initiatives, in particular the Mechanism for Conflict Prevention, Management and Resolution. Repositioning its activities to regional suboffices, as recommended by the Office of Internal Oversight Services (OIOS), would be difficult for the Economic Commission for Africa (ECA) to achieve unless it received adequate resources and was able to fill vacancies in a timely manner.

10. While a number of global initiatives for least developed countries, landlocked developing countries and small island developing States had been established, their goals were far from being achieved. Without adequate resources, it was clear that the overall programme delivery of the Office of the High Representative for that group of countries would fall short in addressing the needs of Member States. His delegation agreed with the Advisory Committee on the need for a concrete strategic action plan to mobilize greater resources to ensure that the Office's programme delivery could continue effectively.

11. **Mr. Petranto** (Indonesia) said that the programme budget, an important means of highlighting the fundamental priorities of the Organization, must capture its vision, mission and spirit and present an accurate picture of all mandated activities and the resources allocated to achieve them. To that end, the role of the General Assembly and its intergovernmental and expert bodies must be acknowledged and appreciated. Likewise, the independent, impartial and expert role of the Advisory Committee and the budget, programming and evaluation role of the Committee for Programme and Coordination (CPC) should be respected.

12. Regrettably, the budget proposals failed to reflect the importance of development, which, along with peace and human rights, was a pillar of the Organization. With most development activities relying on extrabudgetary funds, his delegation was concerned that the approval procedures, reporting requirements and accountability mechanisms associated with those funds often lacked transparency. It was also deeply concerned at the strategy of aiming for a budget with zero nominal growth, which had been adopted without General Assembly approval.

13. Indonesia shared the concern of many Member States over the limited procurement opportunities available to developing countries and called for reform to remedy the situation, including consistent and transparent implementation of the relevant rules and regulations.

14. **Ms. Viotti** (Brazil) said that the Organization must be stronger and better equipped to address peace and security, development and human rights, and have adequate resources in all three areas. However, the priorities of the international community had not been reflected in a balanced way in the budget, to the detriment of development.

15. Comprehensive reform was needed to strengthen the development machinery of the Organization, with significant increases in resources for development-related programmes and for the Development Account,

in order to address the poverty and development challenges which lay at the root of many current conflicts

16. The budget for the biennium 2008-2009 should therefore considerably strengthen programmes relating to trade and development, economic and social affairs, the least developed countries, landlocked developing countries and small island developing States, technical cooperation and indigenous peoples. As a reflection of Member States' renewed commitment to addressing Africa's special needs, the budget should also devote greater resources to supporting NEPAD, ECA and the Office of the Special Adviser on Africa.

17. Brazil supported the strengthening of the Economic Commission for Latin America and the Caribbean (ECLAC), which had been instrumental in promoting effective social and economic development in the region and had provided an example of efficiency and accountability. It also supported the strengthening of the Office of the High Representative of the Secretary-General for Disarmament Affairs so that it could discharge its duties effectively, and reaffirmed that the measures agreed upon by Member States to strengthen the United Nations Forum on Forests must be supported by adequate regular budget resources.

18. Stronger internal controls and results-based management should be an ongoing concern in the Secretariat. Brazil supported all measures to make the Secretariat's activities more effective and transparent, fulfilling the mandates which the Member States conferred on it.

19. **Mr. Dangue Réwaka** (Gabon) said that the budget was the main method by which the Secretary-General requested financial, human and material resources to implement the activities of the Organization's biennial programme plan. The total level of income and expenditure and the rate of growth of the budget were likely to rise if the Secretary-General made additional requests after considering issues on which numerous reports were still awaited.

20. While his delegation understood that the change in the Organization's leadership had affected the situation, it agreed with the Advisory Committee that a piecemeal approach must be avoided in future, as it not only departed from the budget process and discipline established by the General Assembly in its resolutions 41/213 and 42/211, but also made it difficult for Member States to plan and pay their assessed contributions. Moreover, once adopted, the budget must cover all the activities for which the General Assembly had established a mandate, and the priorities established by the Assembly must guide the allocation of resources.

21. His delegation noted the dynamism that had been brought to ECA by its new Executive Secretary and supported the Secretary-General's request for resources to alter the Commission's organizational structure and to strengthen its regional suboffices for the benefit of the continent's five subregions. It also supported the request for resources for the United Nations Office at Nairobi in order to bring it up to a status equivalent to that of comparable duty stations and encouraged the Secretary-General to continue his efforts in that regard.

22. His delegation was concerned at the failure to follow up the Assembly's request for additional funds and human resources for the Subregional Centre for Human Rights and Democracy in Central Africa. Appropriate proposals for action should be made at the Assembly's current session and future budget submissions should include a subsection on the requirements of the Subregional Centre, in accordance with Assembly resolution 56/253.

23. His delegation supported the recommendations of the Advisory Committee and the Committee for Programme and Coordination regarding the Office of the Special Adviser for Africa, which should be strengthened by filling vacancies and providing additional resources to consolidate the Office's planning, coordination, communication and evaluation functions. It also supported the request for resources for the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. His delegation noted with satisfaction the prompt establishment of the Peacebuilding Commission and supported the recommendation of the Advisory Committee for additional resources to strengthen it.

24. The budget process was the best way to maintain a fruitful dialogue between the Secretary-General and Member States and reaffirm their common desire to make the Organization an effective instrument of international cooperation. In that connection, he recalled that at the 2005 World Summit, Heads of State and Government had made a commitment to provide

the Organization with adequate and timely resources to enable it to carry out its mandates.

25. **Mr. Løvald** (Norway) said that the proposed programme budget was vital to the operations of the Organization and should reflect the collective priorities of its Members. As Member States increasingly turned to the United Nations to find solutions to global challenges, the United Nations must also adapt to demands for it to function efficiently and coherently.

26. The programme budget was the most important strategic tool for the implementation of the increasing number of important mandates, and must therefore provide clear direction, based on the Member States' views on how best to use resources in a fiscally sound and results-based manner. The real growth of the proposed programme budget could only be evaluated after considering a series of late additions to it. His delegation believed that proposals to strengthen or reform parts of the Secretariat should be considered in the context of biennial budgets based on a consistent strategy to ensure a well-managed, appropriately funded and competent Secretariat.

27. His delegation would carefully consider the proposal to strengthen the Department of Political Affairs and thereby strengthen the Organization's capacity to prevent and resolve conflicts. The programme budget proposals should also reflect and balance the need to promote economic development, humanitarian efforts and human rights. His delegation would contribute to the work of the Committee based on that understanding. The budget negotiations should also be guided by the targets and decisions of the 2005 World Summit. In that connection, his delegation called on all Member States to honour the commitment to strengthen the Office of the High Commissioner for Human Rights through a doubling of its regular budget resources within five years. Appropriate funding must also be provided for the Organization's assistance to victims of conflict, including funding for the new peacebuilding architecture and assistance to refugees and displaced persons.

28. **Ms. Núñez Mordoche** (Cuba) said that the task before Member States was to agree, in an exercise of full sovereign equality, on the level of resources that the Organization should be given to implement all of its mandated activities. That was a test of the commitment of Member States, as it was useless to assert the Organization's importance in solving current problems if, in practice, it was denied the resources to do so. States which advocated conditions such as budget ceilings and zero nominal growth before they would approve reduced budgets that failed to meet the Organization's needs were showing the true extent of their political will.

29. The principle of zero nominal growth in the proposed 2008-2009 programme budget was difficult to reconcile with the new challenges facing the Organization. While resources must be used efficiently, it was hard to understand how new challenges could be met with a regular budget that did not cover the priorities set by Member States. It was particularly disturbing that there was little growth in the proposed regular budget, while extrabudgetary funds were expected to rise by $764 million. Moreover, development issues accounted for a negligible share of the proposals and no real and sustained increase was planned either for the regular programme of technical cooperation or for the Development Account.

30. The General Assembly had adopted no resolution approving the zero nominal growth approach. The Secretariat should therefore present proposals based on the real needs of the Organization. Given the various reform initiatives that were in the pipeline, her delegation would appreciate knowing the real total of resources allocated for the biennium 2008-2009.

31. It would also like to know why additional resources had not been allocated to the Development Account, when recent reports revealed that the Organization had achieved considerable savings. It was time to prove that development was truly one of the pillars of the United Nations by granting the resources needed to achieve internationally agreed goals, including the Millennium Development Goals.

32. The Secretary-General's proposal to eliminate more than 2,000 outputs on the basis of regulation 5.6 and rule 105.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME) proved that genuine implementation of the Regulations and Rules was possible and was not an obstacle to the updating of the Organization's methods. However, it was disappointing that most of the outputs proposed for elimination were in the field of economic and social development.

33. The proposed programme budget for 2008-2009 was the second to be considered since the General

Assembly decided, in resolution 58/269 that the programme narratives of the programme budget fascicles should be identical to the biennial programme plan. It was disturbing that CPC had not had the opportunity to consider certain sections of the proposed budget programme, which had been published after CPC had met. CPC should be given the opportunity to review the programme narratives and thereby facilitate the Assembly's work. She welcomed the improved presentation of the results-based budget, but further improvements were still needed.

34. While it recognized the valuable work performed by the Advisory Committee, her delegation did not agree with some of the recommendations and observations contained in that Committee's first report on the proposed programme budget (A/62/7) because of their potential effect on the work of certain United Nations organs and departments.

35. Presentation of the budget coincided with proposals for the reform of the Organization. Member States should carefully consider the proposals and avoid rushing into agreements that were impossible to implement or were negative for the Organization.

36. Cuba would resist any effort to make approval of the budget for the forthcoming biennium conditional on reform initiatives or the agendas of certain countries. It would vigorously condemn and reject any attempt to withhold payment of its assessment by the main contributor, exert pressure on delegations, impose conditions connected with a State's level of assessment, or exploit scandal stirred up by one State's media.

37. Negotiations on the proposed programme budget must be conducted in an open, transparent and inclusive manner. Cuba opposed the notion that a small group of delegations was entitled to decide for the rest of the membership of the General Assembly on an issue that was vital to the Organization.

38. **Mr. Sen** (India) said that the proposed budget programme for the biennium 2008-2009 lacked budgetary discipline and failed to reflect the Organization's priorities. Important items with significant budgetary implications, such as the reforms of the Department of Peacekeeping Operations and the Department of Field Support, enterprise resource planning, and costs related to decisions of the Human Rights Council and Economic and Social Council were being presented outside the scope of the regular budget, thereby making supplementary demands the norm and marginalizing the regular budget.

39. In his introductory remarks, the Secretary-General had stated that issues of economic advancement and social equity could not be geopolitical afterthoughts; yet the proposed budget programme showed development to be just such an afterthought. The Secretariat clearly had not heeded the wise guidance of the Secretary-General.

40. The proposed resource allocation between development on the one hand and peace and security and human rights on the other hand was completely lopsided. The increase in resources for the promotion of sustained economic growth and development had been limited to 18 new posts, which represented 0.5 per cent real growth; development in Africa had been "strengthened" by one post; no increase had been proposed for the regular programme of technical cooperation; and the Development Account budget had remained constant at $16.48 million. That was all the more disturbing, given that the target originally set for the Development Account was $200 million. In contrast, human rights with 36 new posts and peace and security with 35 new posts, not including the 34 additional posts for the Department of Political Affairs reform, had been treated more generously. Of the proposed net increase of 428 posts to be financed from extrabudgetary resources, 260 were for the Office of the United Nations High Commissioner for Human Rights.

41. The budget proposals revealed an indifference to development, which was the top priority for the large majority of Member States and a necessary condition for durable peace and security. His delegation called for an urgent redressal of the imbalance through the allocation of greater resources for development-related entities like the Department of Economic and Social Affairs, the regional commissions and the United Nations Conference on Trade and Development (UNCTAD). Although such entities and programmes were small, they acted as catalysts and had a multiplier effect. New and practical proposals for financing the Development Account were also needed.

42. Although India strongly supported South-South cooperation, such cooperation was no substitute for the fulfilment of development assistance commitments. In that connection, India looked forward to the Secretary-

General's proposals for strengthening the Secretariat to better serve the world's "bottom billion".

43. India supported initiatives to strengthen the Office of the Special Adviser on Africa and ECA and urged that the Special Adviser on Africa should be appointed at the earliest opportunity.

44. In 1997, the Secretary-General had set a specific goal to reduce administration costs in the regular budget of the Secretariat from 38 to 25 per cent of the United Nations regular budget. However, under the proposed programme budget for the biennium 2008-2009, the cost of posts was estimated at $2.7 billion or 63 per cent of the total regular budget. If the cost of extrabudgetary posts was also taken into account ($2.76 billion), the total cost of posts for the Organization amounted to $5.5 billion or 52 per cent of the total budget. Clearly, the situation was regressing. It was the responsibility of management to increase the percentage of resources devoted to implementing the mandated programme of work rather than encourage a proliferation of posts, on the pretext of programme support.

45. The budget was ultimately a political document which reflected the priorities that were being subtly imposed on the United Nations. The proposed programme budget for the biennium 2008-2009 would have to be radically revised before it could be accepted. The proposals had little to do with development, less with optimal use of resources and nothing at all with budgetary discipline. Technically, it was grossly inadequate and, politically, it was somewhat suspect.

46. His delegation was nonetheless confident that the Committee would arrive at an outcome that responded to the various concerns that had been raised by Member States.

47. **Mr. Aniokoye** (Nigeria) said that adequate resources should be allocated to development, which was crucial to the promotion of peace and security. He welcomed the efforts being made to bring the resources allocated to the United Nations Office at Nairobi under the regular budget, in line with similar United Nations administrative offices. He also welcomed the attempts to reposition ECA so that it could better respond to emerging challenges, but agreed with the Advisory Committee's recommendation that consideration should be given to mobilizing resources before recruiting relevant staff.

48. The current uncertainty regarding the Office of the Special Adviser on Africa undermined the Organization's concern for Africa. Member States should refocus their attention on the Office, bearing in mind that the continent's extreme poverty had informed the Organization's decision to make development in Africa a priority.

49. The proposed budget of $4,395,600,000 nevertheless provided a good basis for consideration and his delegation would work closely with other delegations to ensure a successful outcome.

50. **Mr. Vuong Dinh Van** (Viet Nam) said that a zero-growth budget was unrealistic and that the proposed programme budget for the biennium 2008-2009 would scarcely cover all the ambitious goals and targets of the three pillars of peace and security, human rights and development. Member States must negotiate a practical budget, while ensuring that expenditures were more efficient and transparent. Increased resources should be allocated to the Development Account and savings from gains in efficiency should be reinvested in development activities.

51. His delegation attached great importance to the policy of decentralization and firmly believed that the delegation of authority to grass-roots levels strengthened ownership, capacity-building and accountability. It encouraged the different United Nations agencies to implement projects and programmes jointly, in the interests of "delivering as one". It also strongly supported initiatives to foster South-South cooperation and assistance to the least developed countries, landlocked developing countries and small island developing States, including the implementation of NEPAD.

52. His delegation also attached importance to the establishment of a common system of salaries, allowances and benefits. The harmonization of obligations and policies and the impartial resolution of disputes would help the Organization recruit and retain highly qualified staff, which would be in its own best interests.

53. Lastly, measures to increase procurement opportunities for vendors from developing countries should be strengthened with a view to increasing the representation of such vendors in the United Nations.

54. **Mr. Cheok** (Singapore) said that development assistance could be a great boon to a developing

country and that Singapore itself had benefited from development assistance from agencies such as the United Nations Development Programme (UNDP). His delegation was therefore concerned that the development budget had been increased by only a nominal 0.5 per cent.

55. With respect to the strengthening of the Department of Political Affairs, it was obviously preferable to have the resources to resolve disputes before they escalated into larger conflicts. However, it was also necessary to ensure that the goals could be effectively translated into reality. One possibility was to redeploy staff from within the United Nations instead of creating new posts — an option that other understaffed departments might also consider.

56. His delegation agreed on the importance of effective accountability and oversight and was reviewing the activities of OIOS and the Procurement Task Force with interest. Both OIOS and the Task Force must adhere to the same high standards to which they held others.

57. It was important to strengthen the administration of justice system and to protect the rights of United Nations staff members in particular. While some of the Secretary-General's proposals had merit, others such as the proposal to abolish the Panel on Discrimination and Other Grievances and to have the Secretary-General appoint the judges of the Dispute Tribunal needed to be carefully weighed. Doing so might place staff at an even greater disadvantage in disputes with management.

58. **Mr. Shcherbak** (Russian Federation) said that the proposed programme budget was intended to demonstrate the progress made in reforming the United Nations with a view to improving its effectiveness in carrying out the decisions of the intergovernmental organs. The apparent increase of 0.5 per cent over the budget for the current biennium was deceptive, since it did not take into account such elements as the possible financial implications of the reform initiatives relating to human resources management, information and communications technology, the administration of justice, additional expenditures on special missions, the reform of the Department of Political Affairs, and the activities of the Human Rights Council. Accordingly, the true level of the budget might rise to over $4.6 billion, which constituted a substantial increase far beyond the frameworks set out in General Assembly resolution 61/254.

59. His delegation shared the Advisory Committee's concern about the Secretariat's increasingly piecemeal approach to budgeting, which undermined budgetary discipline and made it difficult for Member States to take informed decisions. The Secretary-General should ensure compliance with the established financial and budgetary rules and procedures and schedule the presentation of new initiatives within the existing budget cycle. His delegation was ready to consider additional specific reform proposals and looked forward to receiving the corresponding detailed reports. It remained unconvinced, however, that decisions on the financial implications of such proposals should be taken at the current session, especially in view of their unacceptably late presentation and the failure to observe the applicable rules.

60. In the discussion of the proposed programme budget, the Russian delegation would stress the need to contain unjustified growth in budgetary expenditure, strengthen results-based budgeting and budget discipline, and improve programme evaluation. It would carefully assess the justification for additional requests and the possibility of meeting them by redeploying existing resources. Economy measures should not impair observance of the fundamental principles of the United Nations, in particular the need for a balance between savings and multilingualism and the central role of the intergovernmental organs in determining the Organization's priorities.

61. **Mr. Belinga Eboutou** (Cameroon) said that the 2005 World Summit had restored the problems of development to the centre of United Nations activities. It was in that spirit that the General Assembly had decided to include among the priorities of the biennium 2008-2009 the development of Africa and the promotion of economic growth and sustainable development. His delegation therefore welcomed the increase of 3.5 per cent in section 11 (United Nations support for the New Partnership for Africa's Development) of the proposed programme budget but noted with concern the decrease in extrabudgetary funding for the section. That decrease was due largely to the failure to fill posts. The post of Special Adviser on Africa, which had been vacant for over a year and which was crucial to the programme's success, must be filled without delay. The Economic Commission for

Africa should also be allocated sufficient resources to support its transformation into a more operational organization and the strengthening of its regional offices. He hoped that the current negotiations on the Development Account would lead to an increased appropriation.

62. He welcomed the increase in the resources allocated to the Office of the High Commissioner for Human Rights (OHCHR), since the promotion of human rights was also among the priorities for the next biennium. Regrettably, that increase had not had any effect on the resources of some regional offices. For example, despite repeated requests by the Assembly, no additional resources had been allocated to the Subregional Centre for Human Rights and Democracy in Central Africa which was seriously underresourced and received much smaller allocations than similar offices in Africa. The Subregional Centre covered 11 countries which, owing to the extremely difficult political situation in the subregion, urgently needed the support of the international community. The proposals referred to the Advisory Committee must be submitted to the Fifth Committee. It was a question not just of making the promotion of human rights a reality for the peoples of the subregion but also of carrying out the mandates deriving from the resolutions of the General Assembly. The credibility of the United Nations was at stake.

63. **Mr. Mohamad** (Sudan) said that the piecemeal method of presenting the budget, which made it difficult for Member States to review the proposals, was itself an example of the lack of transparency that Member States had been complaining of. Resources had been diverted from development activities to political departments and peacekeeping operations that treated the symptoms rather than the root causes of problems. If more attention was not paid to the developing world, and in particular to Africa, then the Millennium Development Goals would remain a mirage. Support for ECA was urgently needed, and the continued vacancy in the post of Special Adviser to the Secretary-General on Africa was a violation of the General Assembly resolution that had created it.

64. While developing States were forced to take food out of the mouths of their peoples in order to pay their contributions, the Organization had still not learned its lesson about dubious resource management and murky procurement practices. The lack of transparency was exemplified by the extraordinary and unwarranted expenditures on the African Union-United Nations Hybrid Operation in Darfur (UNAMID), which had been authorized by the Secretary-General without the knowledge of the Member States. It was not as though UNAMID had appeared suddenly out of nowhere, and the Secretariat might have avoided the need for extraordinary measures with some planning. In particular, his delegation requested formal clarification of the $250 million non-competitive, single-source contract awarded to PAE/Lockheed. The drop from the original figure of $700 million to $250 million in itself needed explanation. He also noted that United Nations missions tended to become isolated islands in the countries in which they operated, engaging in consumption patterns that were disruptive to local economies and making most of their purchases overseas. There were other concerns about the extraordinary measures with respect to UNAMID that he would raise during discussions of the agenda item.

65. **Mr. Al Fadhli** (Kuwait) reaffirmed the importance of the role of the General Assembly and other relevant organs of the United Nations in matters pertaining to planning, programming, budget preparation, monitoring and evaluation. Greater attention should be paid to development activities, particularly those aimed at the developing countries and at achieving the Millennium Development Goals.

66. The reform of the United Nations was not an end in itself but rather a means of creating a more effective organization which could fulfil its mandate. It was essential in that context to strengthen transparency and oversight and to uphold the principle of equitable geographical distribution in the selection of duly qualified candidates for new posts. An immediate start should be made on implementation of the capital master plan in accordance with accelerated strategy IV, since delay would have additional implications for the budget.

67. **Mr. Davide** (Philippines) said that the proposed programme budget was not just a compilation of numbers but a fiscal blueprint of the policies, strategies and activities of the Organization. It should maintain a balance between the Organization's three pillars of the promotion of peace, development and human rights. There had already been many proposals on peace and human rights but strikingly few on development. In view of the urgent need to augment the Organization's capacity to implement the development agenda, the Secretary-General's assurance that he would reinforce

the work on South-South issues was a welcome response to the call by the Group of 77 and China for comprehensive strengthening of the development machinery. The Secretary-General's proposals on the allocation of adequate resources for that purpose were eagerly awaited. Concern remained, however, about the consolidation of activities within the United Nations system, since that would diminish their development component.

68. His delegation recognized that conference servicing constituted the bulk of the Organization's daily operations and acknowledged the efforts of the Department for General Assembly and Conference Management to improve its performance and output. He looked forward to the Department's continued efforts to ensure the quality of interpretation and translation, provide full servicing for meetings, particularly those of political and regional groups, process documents in good time, and maintain high standards of printing and publishing, bearing in mind that the key performance indicator was the satisfaction of Member States. The question of the developing countries' share of procurement opportunities, which was a source of great concern to his delegation and to the Group of 77 and China as a whole, must be discussed and acted upon at the current session.

69. **Mr. Al-Tamimi** (Qatar) said that, given the many global problems the United Nations was called upon to confront, the idea of basing the budget on the zero-growth principle was troubling. Administrative reform was certainly important, but beneficial programmes should not be scaled back in the name of good management. Similarly, the role of the General Assembly and the principal organs should not be diminished in the process of reallocating resources. Directing resources towards peacekeeping should not entail diverting them from development and human rights. Equitable geographic distribution, transparency and accountability should be observed in the allocation of posts within the Organization, and policies should be developed to ensure effective and responsible management of missions.

70. He stressed the importance of CPC and of ACABQ, which needed to be augmented by additional personnel. Lastly, Member States should fulfil their financial commitments to the Organization on schedule.

71. **Ms. Bárcena** (Under-Secretary-General for Management) reiterated the Secretary-General's assertion that the proposed programme budget for the biennium 2008-2009 reflected the inextricable link between human rights, peace and security, and development. Accordingly, resources to support development activities had been channelled not only to the sections of the budget devoted to economic and social affairs but also to those dealing with human rights and peace and security. Moreover, in addition to the 0.5 per cent growth in parts IV and V of the proposed programme budget (International cooperation for development and Regional cooperation for development), there had been an estimated increase of over $50 million in extrabudgetary resources for part IV. The Secretary-General also intended to submit restructuring proposals in order to strengthen the Department of Economic and Social Affairs, UNCTAD and the regional commissions. Efforts were also under way to ensure that the United Nations system as a whole improved its capacity to deal with development-related challenges.

72. With regard to the estimated decline in extrabudgetary resources for the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and for NEPAD, she stressed that programme implementation would not be adversely affected by the projected change. As far as the Office of the High Representative was concerned, the estimates for the biennium 2008-2009 related solely to the cost of facilitating the participation of representatives of the least developed countries in meetings of the Economic and Social Council. During the biennium 2006-2007, in addition to the amounts allocated for participation in meetings of the Economic and Social Council, resources had also been required for the midterm review of the Brussels Programme of Action and other conferences. To date, extrabudgetary resources for the Office of the Special Adviser on Africa had been used to finance the activities of the Secretary-General's Advisory Panel on International Support for NEPAD, which had now completed its work. If the Panel was subsequently reconstituted, appropriate resources would be mobilized.

73. The report of the Secretary-General on the Development Accounts (A/62/466) addressed the critical issue of identifying efficiency gains and set out options for identifying additional resources. The

Secretariat intended to work closely with Member States to find ways of strengthening the Account.

74. In response to a number of requests for information about efficiency gains resulting from the implementation of reforms or monitoring and evaluation recommendations, she drew attention to the report of the Secretary-General on progress and impact assessment of management improvement measures (A/62/69). The introduction of strengthened information technology systems was expected to enhance the Secretariat's capacity to report more accurately on efficiency gains.

75. While significant improvements had been made to the results-based budgeting process, further efforts were needed in the area of reporting. Feedback should be submitted in a timely manner so as to ensure that it was taken into account during subsequent planning and budgeting exercises. In that regard, the ongoing review of results-based management was expected to identify weaknesses to be addressed. The Secretariat would report on that review later in the session.

76. With regard to the issue of discontinued outputs, she drew attention to paragraph 16 of the foreword and introduction to the proposed programme budget for the biennium 2008-2009 (A/62/6 (Introduction)) and to the information contained in table 5 of the related report of the Advisory Committee (A/62/7). When evaluating the discontinued outputs, it was important to take account of the significant number of new outputs in the proposed programme budget.

77. With regard to human resources issues, the Secretary-General attached great importance to the equitable geographical distribution of staff and to gender balance. He would continue to ensure that the appropriate policies were fully applied, bearing in mind that 62 per cent of the Organization's staff now worked away from Headquarters. Updated information on current vacancy rates would be provided during informal consultations. It should be noted that, while vacancy rates varied by office and duty station, the overall realized vacancy rates for the regular budget were within 1 to 2 per cent of budgeted rates.

78. Lastly, she assured the Committee that, when the proposed budgets for special political missions were submitted in November 2007, the Secretariat would address Member States' concerns about related administrative and budgetary matters.

79. **Mr. Sach** (Controller) recalled that the methodology used for the preparation of the proposed programme budget was based on that endorsed by the General Assembly in its resolution 47/212A. In accordance with that methodology and with the Financial Regulations and Rules, the revised appropriation level of $4.173 billion for the biennium 2006-2007, as approved by the General Assembly in its resolution 61/253, was the basis against which change had been calculated. Consequently, the proposed level of $4.195 billion for the biennium 2008-2009, before recosting, reflected an increase of merely $21.3 million, or 0.5 per cent real growth. Although small, that increase could not be characterized as zero nominal growth.

80. Since the General Assembly had decided to maintain the practice of costing new posts with a delayed recruitment factor, it had become established practice to provide supplementary information on the delayed impact of new posts to the Advisory Committee during its review of the proposed programme budget. Table 2 of the Advisory Committee's report (A/62/7) contained details of the estimated delayed impact in 2010-2011 of new posts proposed in 2008-2009. If the Fifth Committee so decided, future budget proposals could be adjusted to include that information.

81. With regard to the concerns expressed about the piecemeal approach to the budget process, the Secretary-General fully appreciated the need for budget discipline. However, he had to maintain a balance between that need and his obligation to implement approved mandates. The initial proposals were strictly in line with the guideline of 0.5 per cent real growth, while the proposed add-ons, presented either as statements of programme budget implications following the adoption of resolutions or as revised estimates following the submission of mandated reports, responded to the dynamic nature of Member States' requests. Those mechanisms were not new, but perhaps the current level of programme activity was.

82. Recent years had seen the implementation of significant reform initiatives, and a series of new proposals relating, inter alia, to the overhaul of the system for the administration of justice and the introduction of a new accountability framework, were currently on the table. In light of those and other mandates entrusted to the Organization by the Main Committees of the General Assembly and other

subsidiary bodies, the Secretary-General had recommended that the level of the contingency fund for the biennium 2008-2009 should be set at 1.35 per cent. However, while the General Assembly had decided to maintain a level of 0.75 per cent, it had nevertheless requested a review of the experience of the utilization of the fund. The outcome of that review was contained in document A/62/229, in which the Secretary-General concluded that, inter alia, if the contingency fund was to be maintained as a key element of budgetary discipline, it would need to be established at realistic levels consistent with programmatic decisions and mandates. Furthermore, if the overall level of predictability of resources desired by Member States was to be achieved, consideration must continue to be given at the time of the consideration of each budget outline to establishing the contingency fund for the related biennium at a level that would provide for those additional expenditures that the fund would be expected to bear during the period.

83. In view of the decision to maintain the level of the contingency fund at 0.75 per cent, every effort had been made to handle additional requirements in accordance with the provisions of General Assembly resolutions 41/213 and 42/211, including through assessing opportunities to redeploy resources or defer activities. While time constraints had made it impossible to include all such proposals in the proposed programme budget, the Secretariat had adhered strictly to established practice, submitting programme budget implications or revised estimates to the General Assembly for its consideration.

84. Although, pursuant to resolutions 41/213 and 42/211, additional requirements relating to peace and security or to the impact of recosting were not charged to the contingency fund, in recent years the General Assembly had taken action to appropriate additional requirements for the implementation of reform initiatives outside the framework of the fund. Such action had proven necessary despite the procedures in place for reviewing existing capacity at the time of issuance of each programme budget implication or revised estimate.

85. Turning to the Secretary-General's limited budgetary discretion, he pointed out that the $20 million available for each biennium could not be used prior to the start of any given biennium. During the biennium 2006-2007, the Secretary-General had used his discretionary authority to put in place preparedness measures for pandemic influenza and avian flu. Some $13 million of the $20 million available had been used during the current biennium; more detailed information would be provided in the context of the second performance report. The Secretary-General would use his discretionary authority to meet any requirements arising during the course of the biennium 2008-2009 that were consistent with the provisions of General Assembly resolution 60/283, subject to the identification of the necessary savings.

86. Lastly, with regard to the perceived need to increase involvement of developing countries and countries with economies in transition in procurement activities, a separate report on the status of procurement reform, including arrangements to further diversify sources, would be before the Committee later in the current session. Issues relating to contracts concluded for the African Union-United Nations Hybrid Operation in Darfur would be addressed in the context of the Committee's consideration of its budget.

87. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) asked the representative of Pakistan to clarify, with reference to specific observations and recommendations set out in document A/62/7, the assertion made at the Committee's 10th meeting that some of the Advisory Committee's observations and recommendations did not fall within its mandate or did not take account of the mandate of the General Assembly or the provisions of the Charter.

88. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, commended the Secretary-General for his intention to submit proposals designed to strengthen the Organization's development agenda. Those proposals should be submitted as soon as possible so that Member States could assess their merits and compare them to other such add-ons. In that connection, and given the potentially significant impact of those add-ons on the overall level of the regular budget for the forthcoming biennium, a comprehensive report should be issued without delay. The Group of 77 and China took the view that estimated resource requirements for a number of add-ons, such as the new enterprise resource planning system, implementation of the decisions of the Human Rights Council and the adoption of the International Public Sector Accounting Standards, could have been prepared earlier. Furthermore, the Secretariat should have taken greater

care to ensure that the timing of its reform initiatives coincided with the budget cycle.

89. The Group of 77 and China was extremely concerned about the status of the Development Account. It was clear from the relevant reports that the measures taken by the General Assembly to increase the balance of the Account through efficiency gains had not been effective. Programme managers were failing to comply with General Assembly mandates because they had their own priorities, and a fresh approach was therefore needed.

90. With regard to the Secretary-General's limited budgetary discretion, the Group would be interested to know whether he intended to enter into commitments for the remaining $7 million available for the biennium 2006-2007. While it was important to ensure that expenditure of that magnitude was appropriately justified, steps should be taken to ensure that discussion of any relevant proposals did not hinder consideration of development-related activities.

91. The Group of 77 and China hoped that the forthcoming reports on procurement would take account of the concerns expressed about the exceptional arrangements made in respect of one particular peacekeeping mission. Lastly, in response to the comments made by the Chairman of the Advisory Committee, the Group of 77 and China reiterated its assertion that the Advisory Committee should have exercised more restraint when formulating its observations and recommendations, as some of them exceeded the scope of its mandate.

92. **Mr. Tawana** (South Africa) reiterated the request made by the representative of Botswana at the Committee's 10th meeting for more information about the vacancy situation in the Office of the Special Adviser on Africa. In particular, he would like to know more about the specific steps taken to fill the post of Special Adviser and the difficulties encountered. It would also be useful to know how the funds reserved for the salaries associated with the vacant posts were currently being used.

93. **Ms. Samayoa-Recari** (Guatemala) recalled that, as part of the redeployment experiment, a P-3 post had been allocated to the Permanent Forum on Indigenous Issues. Since the General Assembly had decided to discontinue that experiment, she had expected the post to be accounted for in the proposed programme budget for the biennium 2008-2009. That did not appear to be the case, however, and she would therefore be grateful for an explanation, in writing, of that situation.

94. **Mr. Rosales Díaz** (Nicaragua) reiterated his previous request for clarification regarding the failure to fill the newly established post of Under-Secretary-General for Field Support.

95. **Mr. Sach** (Controller), responding to the question raised by the representative of Pakistan, said that, in accordance with the provisions of General Assembly resolution 60/283, any further use of the Secretary-General's limited budgetary discretion during the current biennium would require the prior concurrence of the Advisory Committee. In the unlikely event that the Secretary-General decided to enter into commitments for the remaining $7 million, those funds would have to be used before the end of the current biennium and would need to be offset by savings identified and attained during the course of the biennium.

The meeting rose at 1 p.m.